

AMENDED IN SENATE SEPTEMBER 3, 2015

AMENDED IN SENATE AUGUST 18, 2015

AMENDED IN SENATE JUNE 19, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1110

Introduced by Assembly Member Ting

February 27, 2015

An act to amend Sections 398.1, 398.2, and 398.4 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1110, as amended, Ting. Greenhouse gases emissions intensity reporting: retail electricity suppliers.

Under existing law, entities offering electric services in California are required to disclose information on the sources of energy that are used to provide electric services. Existing law requires every retail supplier, as defined, that makes an offer to sell electricity that is consumed in California to disclose its electricity sources for the previous calendar year. These disclosures are required to be made to end-use customers and potential end-use customers. Existing law requires a retail supplier to disclose its electricity sources as a percentage of annual sales that is derived from specified sources of energy, including eligible renewable energy resources.

This bill would require a retail supplier, including an electrical corporation, local publicly owned electric utility, electric service provider, and community choice aggregator to also disclose the greenhouse gases emissions intensity associated with its electricity sources. The bill would prohibit an adjustment in the calculation of

emissions of greenhouse gases through the application of renewable energy credits, carbon offset credits, or other *environmental* attributes acquired from any facility not ~~providing the actual delivered electricity used to serve a retail customer.~~ *generating the electricity procured by the retail supplier and delivered to the balancing authority in which the customers of the retail supplier are located. The bill would require the Energy Commission, on or before January 1, 2017, to specify guidelines for the reporting of greenhouse gas emissions intensity, subject to public hearing. The bill would require retail suppliers, beginning June 1, 2019, to report to the Energy Commission data on annual emissions of greenhouse gases occurring after December 31, 2017, except as provided.*

The Public Utilities Act makes any public utility and any corporation other than a public utility, if the public utility or corporation violates the act or fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the commission, guilty of a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements by an electrical corporation or electric service provider would be a crime, the bill would impose a state-mandated local program by expanding what is a crime. By placing additional reporting duties upon local publicly owned electric utilities, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 398.1 of the Public Utilities Code is
- 2 amended to read:
- 3 398.1. (a) The Legislature finds and declares that there is a
- 4 need for reliable, accurate, ~~and timely~~ *timely, and consistent*
- 5 information regarding fuel sources for electric generation offered
- 6 for retail sale in California.

1 (b) The purpose of this article is to establish a program under
2 which entities offering electric services in California disclose
3 accurate, reliable, and simple to understand information on the
4 sources of energy, and the associated emissions of greenhouse
5 gases, that are used to provide electric services.

6 SEC. 2. Section 398.2 of the Public Utilities Code is amended
7 to read:

8 398.2. The definitions set forth in this section shall govern the
9 construction of this article.

10 (a) “Retail supplier” means an entity that offers an electricity
11 product for sale to retail consumers in California, including an
12 electrical corporation, local publicly owned electric utility, electric
13 service provider, and community choice aggregator.

14 (b) “System operator” means the Independent System Operator
15 with responsibility for the efficient use and reliable operation of
16 the transmission grid, as provided by Section 345, or a local
17 publicly owned electric utility that does not utilize the Independent
18 System Operator.

19 (c) “Specific purchases” means electricity transactions that are
20 traceable to specific generation sources by any auditable contract
21 trail or equivalent, such as a tradable commodity system, that
22 provides commercial verification that the electricity source claimed
23 has been sold once and only once to a retail consumer. Retail
24 suppliers may rely on annual data to meet this requirement, rather
25 than hour-by-hour matching of loads and resources.

26 (d) “Unspecified sources of power” means electricity that is not
27 traceable to specific generation sources by any auditable contract
28 trail or equivalent, including a tradable commodity system, that
29 provides commercial verification that the electricity source claimed
30 has been sold once, and only once, to a retail consumer.

31 SEC. 3. Section 398.4 of the Public Utilities Code is amended
32 to read:

33 398.4. (a) Every retail supplier that makes an offering to sell
34 electricity that is consumed in California shall disclose its
35 electricity sources and the associated greenhouse gases emissions
36 intensity for the previous calendar year.

37 (b) The disclosures required by this section shall be made to
38 potential end-use consumers in all product-specific written
39 promotional materials that are distributed to consumers by either
40 printed or electronic means, including the retail supplier’s Internet

1 Web site, if one exists, except that advertisements and notices in
2 general circulation media shall not be subject to this requirement.

3 (c) The disclosures required by this section shall be made
4 annually to end-use consumers of the offered electricity. The annual
5 disclosure shall be made by the end of the first complete billing
6 cycle for the third quarter of the year, and shall be consistent with
7 information provided to the Energy Commission pursuant to
8 Section 398.5.

9 (d) The disclosures required by this section shall be made
10 separately for each offering made by the retail supplier.

11 (e) On or before January 1, 1998, the Energy Commission shall
12 specify guidelines for the format and means for disclosure required
13 by Section 398.3 and this section, based on the requirements of
14 this article and subject to public hearing.

15 (f) The costs of making the disclosures required by this section
16 shall be considered to be generation related.

17 (g) The disclosures required by this section shall comply with
18 the following:

19 (1) A retail supplier's disclosure of its electricity sources shall
20 be expressed as a percentage of annual sales derived from each of
21 the following categories:

22 (A) Unspecified sources of electricity.

23 (B) Specific purchases.

24 (2) A retail supplier's disclosure of its electricity sources shall
25 also separately identify total California system electricity, which
26 is the sum of all in-state generation and net electricity imports by
27 fuel type.

28 (h) Each of the categories specified in subdivision (g) shall be
29 additionally identified as a percentage of annual sales that is
30 derived from the following fuels or sources of energy:

31 (1) Coal.

32 (2) Large hydroelectric (greater than 30 megawatts).

33 (3) Natural gas.

34 (4) Nuclear.

35 (5) Eligible renewable energy resources pursuant to the
36 California Renewables Portfolio Standard Program (Article 16
37 (commencing with Section 399.11)), including any of the
38 following:

39 (A) Biomass and biowaste.

40 (B) Geothermal.

1 (C) Eligible hydroelectric.

2 (D) Solar.

3 (E) Wind.

4 (6) Other categories as determined by the Energy Commission.

5 (i) All electricity sources disclosed as specific purchases shall
6 meet the requirements of subdivision (c) of Section 398.2.

7 (j) Specific purchases identified pursuant to this section shall
8 be from sources connected to the Western Electricity Coordinating
9 Council interconnected grid.

10 (k) (1) The greenhouse gases emissions intensity associated
11 with a retail supplier's electricity sources shall be reported *by the*
12 *retail supplier to the customer* as the sum of all annual emissions
13 of greenhouse gases divided by annual retail electric sales.
14 Emissions of greenhouse gases shall be calculated using the
15 emissions reported for electricity supplied by entities required to
16 report emissions of greenhouse gases pursuant to Article 2
17 (commencing with Section 95100) of Subchapter 10 of Chapter 1
18 of Division 3 of Title 17 of the California Code of Regulations.
19 Emissions of greenhouse gases shall include any emissions
20 otherwise attributable to any first deliverer, as defined in paragraph
21 (178) of subdivision (a) of Section 95102 of Title 17 of the
22 California Code of Regulations, supplying electricity directly or
23 indirectly to the retail supplier.

24 (2) For purposes of this subdivision, no adjustment shall be
25 made to the calculation of emissions of greenhouse gases assigned
26 to any retail supplier through the application of the following:

27 (A) Renewable energy credits, as defined in subdivision (h) of
28 Section 399.12.

29 (B) Offset credits issued pursuant to Article 5 (commencing
30 with Section 95801) of Subchapter 10 of Chapter 1 of Division 3
31 of Title 17 of the California Code of Regulations.

32 (C) Other *environmental* attributes acquired from any facility
33 ~~not providing the actual delivered electricity used to serve a retail~~
34 ~~customer.~~ *generating the electricity procured by the retail supplier*
35 *and delivered to the balancing authority in which the customers*
36 *of the retail supplier are located.*

37 (3) *The Energy Commission shall ensure that the calculation*
38 *of greenhouse gas emissions attributed to a retail supplier is*
39 *consistent with treatment under the market-based compliance*

1 *mechanism adopted by the State Air Resources Board for the*
2 *following:*

3 *(A) Procurement from electric generation without a compliance*
4 *obligation pursuant to Section 95852.2 of Title 17 of the California*
5 *Code of Regulations.*

6 *(B) Procurement satisfying the requirements of paragraph (4)*
7 *of subdivision (b) of Section 95852 of Title 17 of the California*
8 *Code of Regulations.*

9 *(4) For purposes of determining greenhouse gas intensity*
10 *pursuant to this section, the Energy Commission shall determine*
11 *the appropriate treatment for production from any electricity*
12 *source located behind the meter of a customer served by a retail*
13 *supplier. At a minimum, any reported electricity production shall*
14 *be verified using a revenue grade meter and added to the*
15 *calculation of the retail electric sales for the retail supplier.*

16 *(5) The calculation of greenhouse gas emissions intensity shall*
17 *not be determined based upon whether the procurement is either*
18 *assigned to any particular portfolio content category under*
19 *subdivision (b) of Section 399.16 or classified as counting in full*
20 *pursuant to subdivision (d) of Section 399.16.*

21 *(6) The Energy Commission shall, in consultation with the State*
22 *Air Resources Board and consistent with the requirements of this*
23 *subdivision, establish emissions intensity factors for electricity*
24 *sources reported by retail suppliers.*

25 ~~(3)~~

26 *(7) Each retail supplier shall separately identify the greenhouse*
27 *gases emissions intensity associated with statewide retail electricity*
28 *sales in the same year. The ~~commission~~, Energy Commission, in*
29 *consultation with the State Air Resources Board, shall calculate*
30 *the greenhouse gases emissions intensity associated with statewide*
31 *retail electricity sales based on the emissions of greenhouse gases*
32 *for total California system electricity.*

33 *(8) (A) On or before January 1, 2017, the Energy Commission*
34 *shall specify guidelines for the reporting and disclosure of*
35 *greenhouse gas emissions intensity, based on the requirements of*
36 *this subdivision and subject to public hearing. Beginning June 1,*
37 *2019, retail suppliers shall be required to report to the Energy*
38 *Commission data on annual emissions of greenhouse gases*
39 *occurring after December 31, 2017.*

1 (B) Any new community choice aggregator formed after January
2 1, 2016, shall not be required to report to the Energy Commission
3 data on annual emissions of greenhouse gases occurring until at
4 least 24 months, but no later than 36 months, after serving its first
5 retail customer.

6 (9) Any marketing or retail product claims relating to the
7 greenhouse gas emissions intensity of the electricity sources of a
8 retail supplier shall be consistent with the methodology required
9 under this section. Retail suppliers may provide additional
10 information to customers describing other actions relating to
11 greenhouse gas emissions.

12 (l) The provisions of this section shall not apply to generators
13 providing electric service onsite, under an over-the-fence
14 transaction as described in Section 218, or to an affiliate or
15 affiliates, as defined in subdivision (a) of Section 372.

16 SEC. 4. No reimbursement is required by this act pursuant to
17 Section 6 of Article XIII B of the California Constitution because
18 a local agency or school district has the authority to levy service
19 charges, fees, or assessments sufficient to pay for the program or
20 level of service mandated by this act or because costs that may be
21 incurred by a local agency or school district will be incurred
22 because this act creates a new crime or infraction, eliminates a
23 crime or infraction, or changes the penalty for a crime or infraction,
24 within the meaning of Section 17556 of the Government Code, or
25 changes the definition of a crime within the meaning of Section 6
26 of Article XIII B of the California Constitution.